

July 22, 1998

The Honorable John McCain
United States Senator
Chairman, Committee on Commerce,
Science and Transportation
United States Senate
Washington, D.C.

RE: Muhammad Ali Boxing Reform Act

Dear Senator McCain:

Thank you for allowing me to address this honorable Committee on the Muhammad Ali Boxing Reform Act. On behalf of the Nevada Athletic Commission, I am honored to be able to speak before this distinguished body.

For almost 11 years, I have served on the Nevada Athletic Commission, an agency that has a long and respected tradition of fair and efficient regulation of the boxing industry. Nevada is very proud of its accomplishments since the formation of the State Athletic Commission in 1931, and is quite pleased that the United States Senate considers the protection of those in the boxing industry worthy of this body's valuable time and resources.

In accordance with the agenda, I would like to comment on two areas -- the relationship between promoters and boxing athletes, and thereafter, concerns regarding boxing's sanctioning bodies.

Nevada, and presumably every other state, has long struggled with the difficulty of multiple contracts between a boxer and promoter. The state's efforts in this regard have been hindered because any regulation must be done on a state-by-state basis. In Nevada's case, regulations require the promoter to file a bout agreement detailing exactly how much the boxer is

to receive for the bout. However, we have no way of preventing there from being one, two, or more additional agreements, created beyond the Nevada border.

Nevada believes mechanisms should be put in place to prevent such hidden agreements. This can be done only if the federal government, in conjunction with the states, allows only one agreement, which contains all contractual and obligatory terms and duties between the promoter and the boxer. Any other agreements must be legally declared void and unenforceable.

Nevada believes that contracts should explain what expenses are to be paid by the athlete. It is also our belief that the only expenses that should be charged to the athlete by the promoter are those which are related to the athlete's preparation for and participation in the bout.

Nevada recognizes that a promoter must have sufficient time to bring along a boxer and to receive a reasonable chance of a return on his investment. However, the terms of any option contract must be spelled out and fully explained to the athlete, and these contracts must be limited so that the promoter cannot take advantage of the athlete.

One common type of option contract that must be outlawed is where the promoter controls the boxer for the entire time he is a champion *plus* two years thereafter. In reality, these agreements are for the boxer's lifetime in the ring. Nevada believes that a contract that is written with "trigger mechanisms" that results in the contract covering the career of the boxer should be disallowed. There should also be a distinction between situations where the promoter helped "establish" the boxer and where the promoter had nothing to do with the boxer's success before the boxer received his title shot or big-time fight.

When speaking of potential reforms concerning boxing promoters, we would be remiss if we did not also focus on the impact of cable and pay-per-view television. In the last several years, it has become apparent that it is not just private promoters who control the matchmaking process, and thus, boxers' progress and careers. Cable and pay-per-view networks are taking on a much larger role in these important areas. This has resulted in the public and boxers being denied some great matches. In fairness to promoters and as further protection to these gifted athletes and to the public, cable and pay-per-view networks should also be covered and regulated by any federal legislation.

I would like to again say that Nevada is honored to be here and pleased to see the federal government taking serious steps toward improving the great sport of boxing. In part, such efforts by the federal government have become necessary because of the limited resources of the states. These limitations are both economical and jurisdictional. While welcoming the support of the federal government, we hope that in passing any new legislation, the federal government will be mindful to not burden the limited resources of each state's athletic commission.

One way the Senate can prevent any further dilution of state resources is to make sure that any legislation is clear, direct and concise. Unfortunately, we live in an extremely litigious society. Enacting clear legislation, which is void of countless interpretations, will make it easier to enforce the law, and less burdensome on all involved.

The other area I would like to address is the regulation of sanctioning bodies. Any discussion of these organizations, which rank boxers and stage championship bouts, should begin by recognizing that the number of these organizations has multiplied like rabbits in the last few years. Moreover, there does not seem to be any end in sight. There is also a lack of uniformity in the rankings of boxers. This situation has become unwieldy to the boxing industry. Having only one ranking organization should be the target goal, but three or four such organizations should be the limit. Otherwise, the industry cannot be properly served and protected.

The federal government can and should get involved herein, and should require sanctioning bodies to be non-profit corporations with public books, public articles of incorporation and public by-laws and rules. The treasuries of the sanctioning bodies should be publicly-accounted for, and it should be made clear that the treasuries belong to the organization, and not to any one person or select group of individuals to use for personal enrichment. There should also be open elections of these organizations' officials and leaders, using well-established election procedures, and those officials and leaders should be subject to thorough background checks.

Any legislation should also provide that if a sanctioning body does not comply with the law, then the individual states, promoters and the Association of Boxing Commissioners shall not recognize or deal in any way with the non-complying sanctioning body.

Finally, as we become more focused on a national framework of regulation, and this Committee and the United States Senate look at where some of the regulatory powers should lie, some of that power may be conferred upon the Association of Boxing Commissioners ("ABC"). If that is the case, safeguards must be put in place to ensure that the ABC is open to free speech by all of its members, and that all decisions of the ABC follow proper parliamentary procedure, with minority rights and majority rule.

In conclusion, I want to thank you Mr. Chairman and all the members of this Committee for allowing me to represent Nevada, its State Athletic Commission, and its citizens in telling you how we have tried to protect the great sport of boxing, and for allowing me to comment on

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how the states can work cooperatively with the federal government in protecting this valuable athletic industry.

Cordially,

NEVADA ATHLETIC COMMISSION

By:

James E. Nave, D.V.M.
Commissioner

By:

Marc Ratner
Executive Director